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ONI, OSD, DOS and DIA review(s) completed.

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GENERAL

1. US hopes UK troops will not quit Greece soon--In an instruction to Herschel Johnson, Acting Secretary Clayton states that the US military and the State Department believe that the continued presence of British troops in Greece is a stabilizing factor. The US hopes that the UK will not commence an early withdrawal following the plebiscite, as the US has understood may be the British intention.
2. USMA Athens denies charge of British interference--The US Military Attache in Athens brands as "absolutely false" Gromyko's allegation that British troops interfered in the Greek plebiscite.
3. Iceland suggests modification of base proposals--US Legation Reykjavik reports that the Icelandic Prime Minister and leaders of the Conservative and Social Democrat parties have suggested that US base proposals be amended to give Iceland the right to cancel the agreement after five years. The Icelandic representatives believe that it would be "humiliating" to Iceland to condition the duration of the agreement on US obligations in Germany and thus on events "beyond Iceland's control."
4. Salazar believed to have approved Azores understanding--US Embassy Lisbon reports that Salazar has apparently decided to approve the short-term understanding which General Kissner expects to sign with the Portuguese Secretary of War (see Daily Summary of 5 September, item 1). The Embassy points out that the arrangement will save the US "many millions of dollars" and now recommends that in the interest of smooth cooperation the US turn over gratis the surplus property desired by Portugal.
5. US Navy suggests Soviet subs may be operating off Greenland--The Navy Department has suggested that the unidentified submarines sighted in the Davis Straits on 1 July and 26 August may have been Soviet vessels engaged in reconnaissance of Operation Nanook or in establishing weather stations.
6. Soviets to use Polish Jews as agitators abroad--US Military Attache Warsaw has learned from various reliable sources that the USSR is training a large number of Polish Jews who will seek to emigrate from the USSR to Poland and Germany and ultimately to South America and the Middle East for the purpose of dislocating the local economies and inciting political disturbances.

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EUROPE-AFRICA

7. **YUGOSLAVIA:** New envoy to US explains plane incidents--Kosanovich, the new Yugoslav Ambassador to the US, prior to his departure for Washington on 6 September, told Dunn in Paris that he would explain the recent plane incidents as resulting from many "provocations" by flights of US aircraft over Yugoslavia. Kosanovich stated that the recent order "to ground US planes" was in part caused by the conviction of Yugoslav officials that the US Government had been conducting espionage activities for many months. He said that the spy ring, led by a US Embassy employee, had also been engaged in smuggling arms into Yugoslavia.
8. **VENEZIA GIULIA:** Increased political activity expected--General Harding, Commander XIII Corps, expects an increase in "action squad" activity by both Italian and Slav groups when Trieste is discussed in Paris. Harding also advises against revoking the warrants for the arrest of the leaders of the July general strike, since pro-Slav propaganda would claim the revocation as a victory over AMG. The US Political Advisor at Caserta believes that revocation of the warrants would weaken AMG authority and probably increase pro-Slav aggressiveness.
9. **USSR:** Soviet forces in Eastern Europe--US Delegation ACC Rumania has received a number of reports of Soviet troop movements and an increase of Red ground and air strength in southeast Rumania. There is, however, no indication of any major logistical build-up.
US Military Attache Warsaw reports information confirming the reduction of Soviet troops in western Poland and strongly indicating that the Red Air Force in Poland is being withdrawn.
10. **GERMANY:** Repatriation of anti-Tito Yugoslavs demanded--Murphy reports that the USSR has presented a memorandum to the ACC on the "inadmissibility" of keeping in Germany foreigners hostile to the Allies. The memorandum chides the British for delay in disarming and repatriating anti-Tito Yugoslavs, particularly "those which the Yugoslav authorities consider as criminals."

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US unable to make up cut in Ruhr coal export--Acting Secretary Clayton has informed Secretary Byrnes that it is "very doubtful" that the US could increase coal exports to Europe by 350,000 tons per month, from October through January, to compensate for a projected decrease in coal exports from the Ruhr (see Daily Summary of 5 September, item 5).

11. FRANCE: Communists openly preach world Communism--Caffery reports that for the first time since the liberation French Communists are openly declaring that Communism cannot succeed until it is established throughout the world.
12. ITALY: Corbino urged to solve financial crisis--According to US Embassy Rome, Minister of the Treasury Corbino has received the full support of Premier De Gasperi who has also appealed to him to save the present financial situation. Corbino apparently intends to remain firm and to have a final showdown with the Communists.

FAR EAST

13. KOREA: Chinese to be invited to set up Consulate--The State Department has directed US Embassy Nanking to invite the Chinese to establish a consulate in Seoul. The Department suggests that the invitation might be linked to a request for clarification of the status and rights of Koreans in China, without however placing the US in the position of formally representing Korean interests. (France and the UK have also been invited to open consulates in Seoul.)
14. FRENCH INDOCHINA: Anti-US press attitude--The State Department has instructed US Consul Saigon to continue his efforts to counteract the tendency of the French colonial press to picture the US as "aggressive and imperialistic." The Department observes that certain French colonials are "unwittingly, for the most part, very close to the Communist Party line."

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